



ALYFE, LLC

Innovative Real Estate Development

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Century Center Project

Executive Summary

Description

The Century Center Project involves the construction and sale of 88 one and two bedroom executive residence condos and 32 office condos totaling around 170,000 square feet in two buildings (twelve and five stories, respectively) on five acres in Southwest Las Vegas.

The units will be built for the upper middle class market, slightly below "luxury" level, and priced for quick sale. Residence amenities will include balconies, secure covered parking, meeting rooms, exercise equipment, pool, and hot tub. Office amenities will include conference rooms and informal lobby seating areas. Both buildings will feature high speed Internet and 24-hour video monitoring. An upscale coffee shop (like Coco's) and a business center (like Fed Ex Kinko's) will be located on the ground floor.

The buildings will have classic styling with high tech features, and a "healthy living" feel. They will be LEED and Energy-Star certified. Landscaping, including an oriental garden and arboretum, will be irrigated by recycled grey water from the residence units.

Construction will utilize several proven but innovative building technologies that will dramatically reduce cost (more than one-third less than conventional methods) while yielding superior quality. Both buildings will be highly energy efficient, with cooling and heating costs less than half of what would otherwise be expected. As a welcome side effect of using these newer methods, the buildings will have a distinctive look (round walls and domed roof) that will improve appeal and set them apart from others in the area.

The project will be situated very close to Durango Drive and the I-215, in the immediate vicinity of Sullivan Square (a sixteen acre, \$800 million multi-use development) and the UNLV Harry Reid Technology and Research Park (115 acres of yet to be built high tech office and light industrial space).

Funding

Project development (soft cost activities) will be divided into two phases. The first of these will resolve external uncertainties regarding the project. This will include controlling the land (through a joint venture agreement), doing an initial site plan, traffic study, and architectural renderings, and then using them to secure all necessary zoning and planning entitlements. It will also include a detailed real estate market study to verify pricing and demand. This phase is expected to take four to six months and \$500,000. Actual land acquisition costs will be paid from condo sales profits.

The next phase will consist of completing all architectural and engineering drawings, selecting subcontractors, creating a loan package and using it to secure a construction loan. Pre-construction sales will begin at this time. The budget for this phase is \$900,000 over five to seven months.

Short term debt funding in the amount of approximately \$47 million (at an LVT ratio around 66%) will be used to complete the project. Several lending sources have expressed interest in the project.

The tables on the next page contain project details including a very conservative work up of costs and revenue. While the revenue numbers reflect current conditions (in a market where prices are going up), the cost numbers are “not to exceed” values that were used solely to determine initial project feasibility (“Can we make money at this?”), not project expected earnings (“Just how much can we make?”). More realistic financial projections will be developed during the next phase (described above).

Team

The project is headed by Richard Meyers, Alyfe (www.alyfe.com) founder and President, a former business and systems consultant with more than two decades of management experience implementing innovative ideas to increase client company profits.

The architect is Leland Gray, LPDJ Architects (www.lpdj.com) who has been a senior design architect for over twenty-five years.

Market analysis will be conducted by the Sullivan Group Real Estate Advisors (www.sullivangroupadvisors.com), one of the nation’s leading housing industry research companies.

Accounting services will be provided by Sharon McNair, McNair & Associates, Certified Public Accountants (www.mcnaircpas.com).

Project Summary

Residence Building		Office Building	
Outer Diameter (ft)	125	Outer Diameter (ft)	150
Above Ground Floors	12	Above Ground Floors	5
Building Height (ft)	193	Building Height (ft)	79
Saleable Space (sqft)	115,238	Saleable Space (sqft)	63,137
Tower Units	88	Tower Units	32
Unit Floor Space	1,310	Unit Floor Space	1,973
Unit Inner Wall	16.23	Unit Inner Wall	16.23
Unit Outer Wall	48.17	Unit Outer Wall	57.99
Unit Depth	40.67	Unit Depth	53.17
Total Construction Cost	\$25,835,900	Total Construction Cost	\$12,300,400
Structure Cost / SqFt	\$115	Structure Cost / SqFt	\$124
Construction Cost / SqFt	\$224	Construction Cost / SqFt	\$195
Building Value (/sqft)	\$450	Building Value (/sqft)	\$275
Unit Condo Price	\$589,284	Unit Condo Price	\$542,580
Condo Sales Revenue	\$51,857,013	Condo Sales Revenue	\$19,532,882
Construction Gross Profit	\$26,021,113	Construction Gross Profit	\$7,232,482
Loan		Land	
Available Loan to Value	70%	Land Cost	\$10,000,000
Actual Loan to Value	66%	Lot Size (acre)	5.00
 		Building Space	1.87
Project Duration (mo)	24	Parking Space	1.70
Construction Duration (mo)	16	Open Space	1.44
Loan Rate	9%	 	
 		Profit	
Available Loan Funds	\$49,972,927	Project Value	\$71,389,895
Actual Loan Funds	\$47,086,300	Total Expenses	\$62,586,656
Project Paid In Capital	\$11,300,000	Project Post-Tax Profit	\$5,722,105

Notes:

“Total Expenses” includes maximum possible interest (interest rate times total loan amount times construction duration). Actual accrued interest will be substantially lower.

“Project Post-Tax Profit” figure should be read as a safe lower limit rather than an expected value.